



M E D I A R E L E A S E

STATE OF TENNESSEE
BUREAU OF TENNCARE

FOR IMMEDIATE RELEASE
JUNE 29, 2007

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FEDERAL GOVERNMENT DELAYS TENNCARE EXTENSION

Medically Needy Must Remain Closed to New Enrollees Pending CMS Waiver Renewal

NASHVILLE, Tenn. — TennCare received only a two-week extension late Friday from the federal government's Centers for Medicare and Medicaid Services (CMS) of TennCare's waiver application that allows Tennessee's Medicaid program to exist in its current form. TennCare's current agreement with CMS expires June 30, 2007. TennCare submitted a request to extend or renew the agreement 12 months ago. The current extension is designed to give federal authorities more time to review the state's application.

"While it's not uncommon for state's to receive limited eleventh-hour extensions from the federal government, this one is particularly frustrating since our most experienced staff have worked diligently to answer questions and resolve concerns on a daily basis for more than a year," said Darin Gordon, TennCare Director and Finance and Administration Deputy Commissioner. "In addition to ensuring that 1.2 million enrollees continue to receive quality health insurance coverage in a managed care environment, we need a waiver approval to responsibly open the medically needy spend down category."

Medically needy spend down is an optional eligibility category designed to provide one-year of TennCare coverage for certain people whose unpaid medical bills are so high that an individual is facing poverty. Currently medically needy spend down is open only to pregnant women and children. In November 2006, CMS agreed to allow TennCare to open a similar category for non-pregnant adults, called Standard Spend Down, however, federal rules prohibited actual enrollment in Standard Spend Down until CMS approves the TennCare waiver renewal.

In 2005, TennCare was able to keep all non-pregnant adults currently enrolled in the medically needy spend down category on the program, but had to close the category to new enrollment. Children and pregnant women, either currently enrolled or newly eligible, are not affected by these changes.

To qualify for the anticipated Standard Spend Down category enrollees, must be legal Tennessee residents who are over 65, blind, disabled or a caretaker guardian of a TennCare-enrolled child and have high unpaid medical bills that "spend down" their incomes to poverty-qualifying levels. TennCare allows a full year of eligibility for enrollees in this category. Most other states that choose to offer spend down coverage allow only three to six months of eligibility. Once federal approvals are in place, Standard Spend Down will cover up to 100,000 non-pregnant adults each year. In the past at its peak, the medically needy spend down category covered no more than 90,000 non-pregnant adults.

TennCare is Tennessee's expanded Medicaid program, providing health insurance coverage to 1.2 million Tennesseans, including 640,000 children. For more information about TennCare visit

www.tennessee.gov/tenncare

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